



Office of the Comptroller of the Currency

Interpretations - Conditional Approval #206

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June 18, 1996

Mary M. Kleiman, Esquire
Krieg, Devault, Alexander & Capehart
One Indiana Square, Suite 2800
Indianapolis, Indiana 46204-2017

Re: Application by First Citizens Bank, National Association, Michigan City, Indiana, to charter a trust bank subsidiary with the title of Horizon Investment Management, National Association, Michigan City, Indiana. (OCC Control No. 96-CE-01-023)

Dear Ms. Kleiman:

The Office of the Comptroller of the Currency (OCC) has reviewed the application of First Citizens Bank, National Association, Michigan City, Indiana, to establish a new national trust bank, which will engage solely in fiduciary activities, with the title of Horizon Investment Management, National Association. On June 18, 1996, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval.

We have based our decision to grant preliminary conditional approval on the information provided in the application, subsequent correspondence and other information available to the OCC.

We have also made our decision to grant preliminary conditional approval with the understanding that the proposed national trust bank will not be FDIC insured and the expectation that the proposed bank will become a member of the Federal Reserve System.

Major deviations from the operating plan or changes in the composition of the board of directors, ownership, or chief executive officer that the OCC has not approved may result in withdrawal of preliminary conditional approval.

In addition to the enclosed standard conditions, this approval is subject to the following special conditions:

1. First Citizens Bank, National Association, its affiliates, successor owner(s), or the bank may not take any action that would materially alter First Citizens Bank, National Association's or a successor owner's ownership interest in the bank without prior approval of the OCC except when that change in ownership is subject to the prior approval of another federal depository regulatory agency. In the event the OCC considers a change in ownership, the OCC will apply the definitions and standards set forth in the Change in Bank Control Act and the OCC's implementing regulation (12 U.S.C. 1817(j) and 12 C.F.R. 5.50) in determining whether a change in First Citizens Bank, National Association's or successor's ownership interest is material and whether to approve a proposed change.
2. Horizon Investment Management, National Association, shall assure that the operations of the bank are limited to that of a trust bank and that deposits other than trust funds are not accepted, loans are not made and checks are not paid.
3. The limitations of Horizon Investment Management, National Association's activities must be fully enumerated in the bank's articles of association. Specifically, the articles must clearly state:
 - The business of the association will be limited to that of a national trust bank;
 - The bank must obtain the prior written approval of the OCC before amending its articles of association to expand the scope of its activities and services; and
 - Transfers of the bank's stock are subject to prior approval of a federal depository institution regulatory agency. If no

other agency approval is required, the OCC's approval must be obtained prior to the transfers. In such cases where OCC approval is required, the OCC will apply the definitions and standards of the Change In Bank Control Act and the OCC's implementing regulation to ownership changes in the bank.

Please be advised that the above special conditions of this approval shall be deemed to be "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. 1818. All conditions referenced in this document are enforceable under 12 U.S.C. 1818 as specifically applied to uninsured national banking associations under section 1818(b)(5).

Some of the standard conditions referenced in the enclosed package of Standard Conditions to Organize a National Bank together with the Minimum Policies and Procedures may not be applicable since the proposed bank's activities will be limited to those of a national trust bank. It is the responsibility of management to ensure that the applicable policies and procedures are established and adopted by the Board of Directors before the bank commences business. Applicable standard conditions must be met before the bank will be allowed to commence business.

You may now form a body corporate and begin organizing Horizon Investment Management, National Association, as soon as the articles of association and organization certificate are adopted and forwarded to the OCC's Central District Office.

As a body corporate, you may begin to take those steps necessary for obtaining final approval, but you may not accept any appointment as a fiduciary until you fulfill all requirements for a bank in organization and a charter and trust permit are granted (see enclosed Organization Checklist and Organization Instructions).

The OCC has no objection to the following persons serving as directors and executive officers of the proposed bank. All other executive officers are subject to the *prior* review and clearance of the OCC. In addition, the OCC's prior approval of any additions or changes in executive officers or directors is required for two years once the bank has opened for business.

NAME	POSITION
Larry E. Reed	Director
Robert C. Dabagia	Director
Leon A. Dargis	Director & President
Thomas P. McCormick	Director
Robert P. Rose	Director, Vice President & Trust Officer
Diana E. Taylor	Director

Your check for \$3,100 payable to the Comptroller of the Currency along with the Articles of Association and Organization Certificate should be forwarded to the OCC within 30 days.

OCC Handbooks and Manuals, and a set of current OCC issuances will be sent to you under separate cover for the benefit of the bank.

Any questions concerning this preliminary conditional approval should be directed to Mark A.

Nishan, Director for Compliance and Bank Supervision, at (312) 360-8860 or National Bank

Examiner Travis W. Wilbert, at (312) 360-8866.

Sincerely,

/s/

Thomas M. Fitzgerald

District Administrator

Enclosures: Documents - OCC Standard Conditions, New Bank Charters
Documents - OCC, Minimum Policies and Procedures, New Bank Charters
Documents - OCC, Organization - Instructions, New Bank Charters
Documents - Applicant, Organization Checklist (Parts A and B), New Bank
Charters